



**HOME BUILDERS & REMODELERS ASSOCIATION  
OF CONNECTICUT, INC.**

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*Your Home  
Is Our  
Business*

February 25, 2014

To: Senator Paul R. Doyle, Co-Chairman  
Representative David A. Baram, Co-Chairman  
Members of the General Law Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: **Raised Bill 207, An Act Requiring Home Improvement Contractors  
and Salesmen to Obtain and Display Identification Badges**

The HBRA of Connecticut is a professional trade association with about nine hundred (900) member firms statewide employing tens of thousands of CT's citizens. Our members, all small businesses, are residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry and to consumers. Our members build between 70% and 80% of all new homes and apartments in the state each year and perform countless home improvements. *I apologize for not being able to appear at the public hearing on Feb. 25 but I have a meeting conflict in Cromwell that cannot be resolved. I am available at any other time to answer member's questions.*

**We have concerns with the language of SB 207, particularly how the current bill is to be implemented and the safety issues it presents for workers. We also question its effectiveness for protecting consumers from unregistered contractors. While we strongly support more vigorous enforcement of the home improvement contractor (HIC) registration act and believe there are better ways to protect consumers, if this bill is to move forward we urge you to amend it per our suggestions below.**

We understand that this bill is in response to various storms that brought out "fly-by-night" or otherwise unregistered contractors who "preyed" on unsuspecting consumers at a time when stress ran high and consumers were in dire need of emergency repairs to their homes. **We adamantly do not support the practices of any such contractors and would support harsh penalties for conducting home improvements without a proper registration with DCP.** New Jersey is the only other state we could find that has adopted a similar law, but it has yet to be implemented and contractors there do not know how to comply with it. *See the attached article that sums up one opinion about the NJ requirement.*

We know from our extensive experience performing countless home improvements that the vast majority of consumers do not ask for a contractor's registration number. Nor do most consumers seem to know to ask. **So, we question the effectiveness of a badge requirement when most consumers will not know to even look for it.** The unregistered contractors, who already are subject to arrest for being unregistered, will continue to prey on consumers. And, consumers will continue to engage them to "get the deal" because – right or wrong – price is far more important to most consumers than the contractor's registration status.

**That said, the current language of SB 207 cannot work without some changes. First, the only individuals who register under the HIC Act are HIC salespersons. The registered**

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HIC contractor is the firm (most often an LLC, but sometimes a corporation or partnership) that contracts with a consumer to perform home improvements. **So, wherever in the bill the language “contractor or salesman” appears, it works for badge purposes only if “contractor” is defined to mean an individual.** For purposes of protecting consumers with a DCP issued badge, we suggest that those individuals be identified in the bill by defining “contractor” as the “principle or principles of the registered home improvement contractor.” It is always either the principle or a registered salesperson who sells the job to the homeowner. **And, it’s the communications up to the point of signing a contract (the sales process) where the consumer needs the assurance they’re dealing with a legitimate registered HIC.**

**Second, we have serious issues with the safety of those who would be required to wear a badge while performing home improvement work.** Often, workers will remove watches, necklaces, even wedding rings, or anything else that could get caught in power tools or machinery or get damaged while working. A requirement to wear a badge while “making” (we assume this means performing) home improvements is dangerous. **Therefore, wherever “making or selling home improvements” occurs in the bill, we strongly urge you to delete “making or” and keep the requirement during the process of selling the home improvement work.** This is consistent with our argument above that the most critical time to assure consumers they’re dealing with a legitimate registered HIC is during the sales process.

**Third,** in subsection (b) (lines 27 to 36), the bill requires a lot of information to be printed on the badge along with a color photograph. We wonder how all this information can be “plainly visible” as required, presumably to inform a consumer of all the information listed. HIC contractors are already required to provide certain notices to all consumers under PA 09-18, to contain specific provisions in all HIC contracts, and the statutory three-day right of rescission under the Home Solicitation Sales Act. Since unregistered contractors will continue to risk operating without a registration, meaning this requirement will impact only legitimate registered HICs, **we urge you to better coordinate what should be required on a badge with the other information required under current law that is provided to consumers to avoid duplication and provide consumers with a “more visible” product that might be helpful.**

**Fourth,** at lines 36 to 38, **we question how the requirement to not alter the badge works in the real world** when many jobs are messy or dirty (painters, sheet rockers, landscapers, trench diggers, masons), or certain workers wear protective clothing (spray foam installers) or safety harnesses (roofers, siders). **Some provision must be allowed for actual work site conditions, type of work performed, etc.** Alternatively, restricting the badge requirement to the sales process, as suggested above, would solve this issue.

**Finally, we object to the payment of another \$30 for a badge. Home improvement contractors already pay much more than they get in the registration bargain with the state.** Since the burden will fall on only legitimate contractors (unregistered contractors as explained above will not comply and continue to risk working without a registration), we urge you to stop raiding the home improvement guaranty fund that is meant for consumer protection. Rather, **use the funds HICs already pay to both pay for the badge and to increase the DCP enforcement fund so the agency can ramp up its enforcement efforts against unregistered contractors.** Again, we also support higher penalties on unregistered contractors – sufficient to make the risk of working without a registration an unacceptable one.

**If this bill is to move forward, please support the substitute language we offer above for SB 207.** Thank you for considering our comments on this important legislation.

## The Law Office of Robert J. Incollingo

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### Robert J. Incollingo Articles

August 24, 2013

#### Badges?

*By Bob Incollingo*

I don't feel very hopeful about the new law just passed which makes it illegal to sell home improvement without a State-issued badge on your chest, starting next August. See, P.L.2013, c.144.

On balance, I think it's not a bad idea to require identification, but badges? To cut down on consumer fraud currently, all New Jersey home improvement contracts, advertisements, business documents, correspondence, and commercial vehicles must bear the remodeler's name and registration number. To cut down on consumer fraud a year from now, every home improvement salesman will wear a special home improvement salesman badge when selling a job.

Sure, that will work.

I make a good part of my living representing both law abiding contractors and property owners. Having witnessed the aftermath up close, I have been angered by news accounts of crooked remodelers who prey on the elderly and those distressed by weather emergencies. It's past time to do something, I figure. Whether they slink across the bridge or rise from homegrown shadows, unregistered contractors break the law with every job they take. And they do "take" these jobs from honest tradesmen who must compete on an unlevel field. The cost of compliance with the contractor registration law is never built into an illegal quote. In my opinion, the unfair cost advantage granted on the petty criminals who raid the South Jersey home improvement market should be crushed by active prosecution of the law. With nothing to lose, the result of lax enforcement is that bad men simply walk away from bad outcomes.

On the other hand, except in cases of outright fraud, I might argue that everyone is exactly where they belong. No one questions an unmarked truck in front of a house getting a new roof. It's the rare homeowner who asks up front for the protection of a legally compliant contract. "All work to be as specified" on a one page invoice rules the day. There are already enough statutes on the books to keep every deal square, but few care. And so what? Homeowners who shop for nothing but price get what they pay for, along with the stupidity tax. Relax. Word will get around and these things will sort themselves out. But they haven't yet.

New Jersey needs the political will and the resources to pursue the crooks, not more red tape on the good guys. Instructing a remodeler to buy liability insurance does nothing to prevent or to remedy a shoddy job. Requiring a registration number to pull a permit does nothing to stop an end run by a straw homeowner applicant. I suspect that passing out badges won't help a lick, either. We don't need fishing licenses pinned to our hats to stop poaching, we need more game wardens willing to board a boat.

You can read the jaw-dropping new law [here](#).

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Robert J. Incollingo is a South Jersey business, construction and real estate litigator whose practice focuses on protecting contractors, suppliers, and private owners.

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#### Current Article

**December 27, 2013 - "Grandfathering In" to Qualify for a New Jersey HVACR License**

**September 10, 2013 - The NJRA CAB**

